BULLETIN OF THE DEPARTMENTS OF HISTORY AND POLITICAL AND ECONOMIC SCIENCE IN QUEEN'S UNIVERSITY, KINGSTON, ONTARIO, CANADA.

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THE EMPLOYMENT SERVICE OF CANADA

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THE EMPLOYMENT SERVICE OF CANADA.

IT was easy, in the village, or even in the small town, with scant variety of occupation, for employers and wage earners to be aware of all vacancies and of all available men. But in the huge wildernesses of London and other great cities, with the bewildering multiplication of occupations and specialisation of employment, a deliberate organization of means of communication between employers and employed is as indispensable, if time is not to be wasted in endless runnings to and fro, as the central sorting room of the Post Office or the Telephone Exchange."[1]

It was not until the depression of 1913-4 that Canada began to take serious thought for the better organization of the labor market, although hard times in earlier years had given rise to some half-hearted effort. The few part-time employment agents, appointed by the Ontario Government during the slackness of 1907-8 accomplished little. In the years just before the war there were six of these agents in as many cities, and together they made 100 or 125 placements monthly. The Ontario Department of colonization did much better work in the placement of agricultural labourers recruited by its agents in England. In 1912-13, the last year of normal operation, 3,927 workers were placed on Ontario farms and nearly seventy-five per cent. of the engagements were for the year. Assisted passages were granted to these emigrating English farm hands in many cases, as much as $25,000 having been advanced in one year. The workers were evidently selected with care as ninety per cent. of this sum was repaid.[2] Somewhat more pretentious beginnings were made in the Province of Quebec in 1910 when an "Act respecting the Establishment of Employment Bureaux for Workmen" was passed. At the beginning of the war the three offices established under this

[1]Great Britain, Minority Report, Royal Commission on the Poor Laws and the Relief of Distress. (London, 1909) p. 1180.

[2]Report of the Ontario Commission on Unemp'oyment. p. 117.

Act in the cities of Montreal, Quebec and Sherbrooke were placing workers at the rate of seven or eight thousand per annum, most of the work being credited to the Montreal office. The annual budget was about fifteen thousand dollars. The Departments of Agriculture of the prairie provinces acquired much valuable experience in employment work through the importation and distribution of farm laborers during the seeding and gain-harvesting seasons, but so far as can be learned there were no serious efforts to establish provincial employment offices in these provinces.

The largest employment business carried on by any single governmental agency was the placement of farm hands and domestic servants by the Immigration Branch of the Department of the Interior, now the Department of Immigration and Colonization. In the winter of 1906-7 the Immigration Branch began the appointment of "Canadian Government Employment Agents" to assist in the placement of workers on the farms, effort being confined mainly to Ontario and Quebec because of the larger measure of continuous agricultural employment afforded in those provinces. No fee was charged to employer or worker but the Department paid the agent a commission of two dollars on every placement. In 1914 there were 160 agents in the two provinces, placing four or five thousand workers annually. Further, the regular salaried immigration officials in some thirty cities performed a considerable service in the direction of immigrants to employment. Not fewer than twenty thousand immigrants a year were assisted in this way, making a total annual placement by the Immigration Branch of about twenty-five thousand.[3] When immigration began to slacken in 1913-4 and the cities were overstocked with labor, immigration officers did much to direct workers to agricultural employment. Arrangements were made with the different railway companies whereby a transportation rate of one cent a mile was granted to persons sent by immigration officers to employment on farms from Montreal and the larger cities of Ontario.

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[3]Labour Gazette, March, 1915. pp. 1064-5.

Such was the measure of Canadian governmental experience in the organization of the labor market at the beginning of the war, unless we include the municipal employment bureaus of a more or less eleemosynary character, established for the most part during the depression of 1913-4, in Montreal, Ottawa, Toronto, Winnipeg, Edmonton, Calgary, Vancouver, New Westminster and Victoria. For the most part the field was left to the commercial employment agent[4] and a heavy toll was taken in the turnover of hundreds of thousands of British and alien navvies, imported to do the rough work of a decade of railroad and city building. It was estimated on the basis of reports in the Department of Immigration that seventy-seven commercial agencies placed about 100,000 persons in 1913 and the Ontario Commission on Unemployment was of the opinion that 60,000 of the total of 70,000 placements made in the Province in 1914 were due to private agencies.[5] The native worker, particularly in times of good trade, was almost independent of the commercial agent. The trade unionist could depend for placement on his union, especially if he were a member of a city union employing a business agent, and the unorganized worker could at least compete with his fellows for the jobs in the "Help Wanted" columns or he might hawk his services among the factories in defiance of the "No Help Wanted" signs. It was only after failure by these methods and when a job had become a prime necessity that he scanned the blackboards of the employment agency, rubbed shoulders with the "bohunks" and at last found himself in a malodorous colonist car consigned to a distant construction camp.

The private agent no doubt rendered a service to both employer and worker in these expansion days but his offences were many, running the gamut the whole way from the petty

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[4]Mention should be made of the work of various philanthropic agencies, such as the Young Women's Christian Association, which in the year 1913-14 placed 5329 persons—Labour Gazette, 1915. p. 1073.

[5]An estimate of 200,000 placements per annum by all the commercial agencies of the country is given in The Labour Gazette. March, 1915. p. 1068.

business of overcharging for transportation and meals to splitting fees with the foreman to encourage him to make business by hiring and firing *à outrance*.[6]

Private employment agencies were regulated by municipal by-laws and provincial enactments and, in so far as they dealt with immigrants, by an order-in-council under the Dominion Immigration Act. The main provisions of this order-in-council were: a license must be obtained from the Superintendent of Immigration; the license, for which no fee is charged, is not transferable and may be revoked by the Superintendent; every holder of a license shall keep in a book the full name and address in Canada, and home address of every immigrant with whom he deals, reporting date of immigrant's arrival, name of steamship or railway by which he came, name and address of his next of kin, name and address of the employer to whom he goes, nature of the work, rate of wages, and other terms of employment; the fee charged shall in no case exceed $1; no engagement shall be made unless the agent has a written and dated order from the employer stating exactly his demands; if any license holder be convicted of an indictable offence, his license shall, ipso facto, be cancelled; license holders who fail to comply with the regulations are liable, on summary conviction, to a penalty of not more than $100, or three months' imprisonment.

The measure was not without difficulty in administration. In the case of many agents the keeping of the record was quite beyond their limited education and the strict enforcement of the one-dollar-fee rule would have required a regiment of inspectors. For the purposes of the Order-in-Council the Immigration Department defined "immigrant" as an alien less than three years in the country. The newcomer was soon made aware that if he placed himself in this category the agents would boycott him and if one can judge from the records of the employment agencies alien workers ceased to emigrate to Canada about the time the Order-in-Council came

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[6]Report of the Ontario Commission on Unemployment. p. 122. Report of the British Columbia Royal Commission on Labour. p. 4.

in force.[7] The measure yielded some results, however, for in little more than a year after its passage seventy-five licenses had been cancelled.

It has been said, with some justification, especially with regard to some provinces, that commercial agencies were over-regulated. There were many conflicts between municipal by-laws, provincial statutes and the federal Order-in-Council, and the agent, lost in the labyrinth, may have offended quite innocently on many occasions.

There were approximately three hundred commercial employment agencies in Canada in 1914,[8] and employment business in lumbering, railroad construction and other contract work was almost completely monopolized by them.[9] They had a large measure of control in mining and farming also, particularly in the West.

In the fateful year 1914 the United Kingdom was fortunate in the possession of a national system of employment exchanges and in nearly four years of laboring-placing experience, factors difficult to overestimate in their contribution to the industrial and military mobilization of Great Britain. Canada, however, was dependent on the disjointed machinery, governmental and commercial above outlined. Indeed, the federal work for the placement of immigrants practically ceased with the cessation of immigration and the municipal bureaus organized mainly from the viewpoint of charity declined in importance as their charges were absorbed in employment consequent upon the war. The British Mission of Inquiry into Armament Labor Supply which in the summer of 1915 recruited about 2000 metal tradesmen in Canada for munitions work in the United Kingdom found it necessary to open temporary offices, draft forms, make transportation arrangements, in short to establish its own employment machinery.

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[7]One inspector reported that he found in the agency of Mr.—— the following notice: "Immigrants not hired. You must be in Canada three years if you want a job here."

[8]Labour Gazette, March 1915. p. 1068.

[9]Report of the Ontario Commission on Unemployment. p. 113.

In 1913 it became apparent that an unprecedented period of industrial expansion was at an end and that Canada had an oversupply of labor, especially in building and construction. There was a severe unemployment crisis in the winter of 1913-14 and parades of unemployed and relief funds were general in the cities. In the West some of the provincial governments gave financial aid to the municipalities to assist in the provision of relief during the winter months and when the spring absorption left a considerable residuum of workers the situation began to receive serious attention. The British Columbia Royal Commission on Labour in its report dated March 3, 1914, stated that the prevailing depression had "thrown out of employment large numbers of workmen." The Commission drew attention to the "unsatisfactory workings of private employment agencies" and suggested more stringent supervision. They recommended that every city with a population of ten thousand or over be required to maintain a public employment bureau and indicate their preference for a national system of bureaus which should be given a monopoly of the employment business. "We consider that it would be still more in the public interest if national labor bureaus were established by the Dominion as a whole and taken entirely from the hands of private agencies."[10]

Early in the summer of 1914 the Department of Labor began a departmental enquiry on unemployment and as unemployment was increased upon the outbreak of the war the Ontario Government appointed near the end of the year a Royal Commission to study and report on "all matters relating to the unemployment of labor." The Commission began its investigations early in 1915 and the Department of Labour placed at its disposal the results of its enquiry, including a plan for a Dominion-provincial system of employment offices. The report of the Commission, which appeared early in 1916, suggested that the Dominion should give financial aid to provincial offices on condition of their observing certain definite conditions "so that the Dominion Government might coordinate the provincial systems and secure uniform statistical

[10]Report of the British Columbia Royal Commission on Labour. p. 5.

returns." It was indicated that the seasonal movement of labor from province to province and the organization of the labor market on an Imperial basis were matters for the Dominion Government. The Commission recommended the establishment of a system of provincial bureaus in Ontario and the promotion of provincial offices throughout Canada "with a view to their ultimate linking together in an effective national system."[11]

At the 1916 session the Ontario Government adopted the Commission's recommendations with regard to employment offices except that their administration was vested in a Trades and Labour Branch established in the Department of Public Works instead of in a permanent Labour Commission as recommended by the report.[12] The new branch was soon organized and offices were opened in Toronto, Hamilton, London, Ottawa, Port Arthur and Fort William.

In the meantime with the heavy enlistments in the Canadian Expeditionary Force and the veritable industrial revolution caused by war orders, unemployment as a stimulus for the establishment of employment exchanges gave place to the need for effective industrial mobilization and, in some degrees, to the anticipation of demobilization problems. It began to be realized that our employment machinery was not adequate to ensure the fullest application of the labour force during the war or to render efficient service in the re-establishment of soldiers and war workers upon the conclusion of peace. Other provinces took action. In 1917 British Columbia followed Ontario in the enactment of legislation[13] for the establishment of public employment offices and Manitoba passed a similar law[14] in 1918. Following the Armistice, Saskatchewan and Alberta authorized the establishment of provincial employment systems.[15] The three prairie provinces inserted in these statutes

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[11]Report of the Ontario Commission on Unemployment. p. 13.

[12]Statutes of Ontario, 1916, c. 13.

[13]Statutes of British Columbia, 1917, c. 32.

[14]Statutes of Manitoba, 1918, c. 25.

[15]Statutes of Saskatchewan, 1919, c. 67. Statutes of Alberta, 1919, not available—Bill No. 13.

clauses providing for the abolition of private agencies, and at the 1919 session British Columbia passed a separate statute to the same effect. Ontario at the 1919 session authorized the Trades and Labour Branch to reduce the number of commercial agencies, and it is probable that in Quebec as well, fewer licenses will be granted. It is evident, therefore, that plans for the suppression of commercial agencies have been adopted in six provinces. In fact, abolition came into effect in Manitoba and Saskatchewan on June 1st, 1919. The question is of no practical importance in the remaining provinces—New Brunswick, Nova Scotia and Prince Edward Island, as altogether they probably have not more than a half dozen commercial agencies. This gradual elimination of commercial agencies is in conformity with opinion in England, where they are permitted only in the placement of domestic servants, but there appears to be no considerable measure of agreement in the United States.[16]

Even if there were no long record of offence against private agencies the majority of Canadian employment officials would still hold that the organization of communication between employers and employed is a natural monopoly of the state. An employment system administered from the social viewpoint has as its objective the reduction of the labour turnover on which commercial agencies thrive. The one is anxious to place the worker in a steady job, the other from a pecuniary point of view desires his early return and re-application. If the state were to attempt to socialize the commercial agency the first step would be an enactment that, all things being equal, agents must place applicants in the employment of longest duration available. This would involve the constant attendance of inspectors in each office for the supervision

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[16]Edward T. Devine proposes state monopoly. See The Survey, February 8, 1919, p. 663. Also April 5, 1919, p. 17. For opposing view see Hornell Hart, Studies from the Helen S. Trounstine Foundation, May 15, 1918, p. 57. Don D. Lesohier in Atlantic Monthly, June, 1918, says, in advocating legislation for Federal system of offices: 'The same legislation should eliminate forever the private commercial ageny which has cursed our economic system far too long.' "

of every placement transaction, which practically amounts to state operation of the service.

While the establishment of provincial offices by some of the provinces was widely approved, the fact remained that at the beginning of 1918 only two provinces, Ontario and Quebec, had offices actually in operation. Moreover there was general agreement that the problem of labour distribution would not be adequately met by uncoordinated provincial systems, no matter how efficient.

It was widely recognized that the re-employment of the returned soldier, the distribution of immigrants and the inter-provincial movement of labour were matters for the Dominion government. Commenting editorially on the new provincial offices in Ontario the 'Financial Times' of March 3rd, 1917, expressed the opinion that because of its control of immigration, inter-provincial transportation and foreign trade, the Dominion Government could organize the labour market from the national and Imperial points of view as the provinces could not. If the employment offices were left to the provinces they would prove "thoroughly and essentially unnational" and it was urged that they should at least be centralized and co-ordinated by the Dominion Government.[16a] This conception of a co-ordinating agency in the federal government, charged with inter-provincial clearance, the standardization of operation and the collection of employment statistics, was embodied in a bill introduced by the Minister of Labour and passed by Parliament at the 1918 session.

The new Employment Offices' Co-ordination Act,[17] which followed in general outline the Agricultural Instruction Act,[18] authorized the Minister of Labour to aid and encourage the

[16a] "In Canada a number of the provinces have labour bureaux of ther own, chiefly to relieve unemployment, and no doubt they are doing very good work when the opportunity offers, but there is no uniformity of practice or co-operation among them to get effective action. To cover the present emergency it would be necessary for some organization to have control over all branches, and to devise means of increasing the number of bureaux, and greatly widen the scope of the work."—Industrial Canada, November, 1918.

[17] Statutes of 1918, c. 21.

[18] Statutes of 1913, c. 5

organization and co-ordination of employment offices and to promote uniformity of methods among them; to establish clearing houses for the inter-change of information between employment offices concerning the transfer of labour and other matters and to compile and distribute information received from employment offices and from other sources as to employment conditions.

The act set aside the sum of $50,000 for the Fiscal Year 1918-19, $100,000 for the Year 1919-20, and $150,000 for each succeeding Fiscal Year, for distribution among the provinces in proportion to their expenditures for the maintenance of employment offices, it being stated that no province should receive more than fifty per cent. of its expenditure. The subventions were made conditional upon an agreement between the Minister of Labour and the provincial governments as to the terms, conditions and purposes upon and for which the payments should be made. The law, which was assented to in May, 1918, was immediately brought to the attention of the Provinces and agreements between the Minister of Labour and several of the Provincial Governments were completed before the end of the year.

At a conference between the Provincial Prime Ministers and the Dominion Government, held at Ottawa shortly after the signing of the Armistice, there was general agreement that during the period of reconstruction the subventions paid to the Provincial Governments for the purposes of the Employment Offices' Co-ordination Act should not be limited to the amounts stated in the statute but that they should equal half the provincial expenditures. This view was accepted and embodied in an Order-in-Council.[19] For 1918-19 an additional vote of $30,000 was provided, making a total of $80,000 available for subventions under the Act. For the year 1919-20 a special appropriation of $150,000 was made in addition to the amount of $100,000 stated in the act, making a total of $250,000 for that year.

When the Employment Offices' Co-ordination Act came into force in the summer of 1918 there were a dozen provincial

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[19] P. C. 537 of March 12, 1919.

offices in Ontario and Quebec. Since then a system of eighty-seven local offices, and six provincial and four inter-provincial clearing houses has been established, with a personnel of about three hundred in all, not including the representatives of the Soldiers' Civil Re-establishment Department in the local offices. The offices are distributed among the provinces as follows: Prince Edward Island, 1; Nova Scotia, 6, New Brunswick, 6; Quebec, 6; Ontario, 35; Manitoba, 8; Saskatchewan, 9; Alberta, 5; British Columbia, 11. In the three Maritime Provinces, Nova Scotia, New Brunswick and Prince Edward Island, no beginnings had been made in employment work, and, in view of this fact and the urgency of the demobilization problem, it was arranged that the Department of Labour should establish and operate offices in those provinces during the demobilization period, the provincial governments providing premises and equipment. It is quite probable that the thirteen offices established by the Department of Labour will be taken over sooner or later by the provincial governments.

At a conference of the employment officials of the Provincial Governments and the Labour Department held in Ottawa in November plans were laid for the work under the Act. Agreement was reached as to the measure of co-ordination necessary to enable the provincial systems to function as units in a national employment organization, and a uniform terminology and a standard system of forms and records were adopted. The fields of work for the Labour Department and the various Provincial Departments were outlined and general rules to govern the operation of all employment offices agreed upon.

The results of the conference were embodied in an Order-in-Council[1] which sets forth the duties of the Department of Labour, the provincial governments and the employment offices under the Act and provides for the establishment of national, provincial and local advisory councils. The Department of Labour is charged with the following duties: the encouragement of the provincial governments in the establishment of employment offices and clearing houses; the main-

[1] P. C. 3111 of December 17, 1918.

tenance of inter-provincial clearing houses; the promotion of uniformity of methods; the establishment of a system of inspection; the collection and publication of information on employment conditions; supervision of private advertising for labour; the supplying of all forms; the payment to the provinces of the subvention earned; the execution with the approval of the Minister of the recommendations of the Employment Service Council of Canada.

An important duty of the Minister of Labour under the Act is the establishment of a national advisory council to be known as the Employment Service Council of Canada. The membership of the Council is provided for as follows: one member each appointed by the provincial governments; two members appointed by the Canadian Manufacturers' Association; two members appointed by the Trade and Labour Congress of Canada; one member appointed by the Railway War Board; one member appointed by the Railway Brotherhoods; two members appointed by the Canadian Council of Agriculture; three members appointed by the Department of Labour, two of whom shall be women; one member appointed by the Returned Soldiers; one member appointed by the Soldiers' Civil Re-establishment Department.

In the section dealing with the provincial governments it is stated that they shall have the direction of their own employment offices, subject to the annual agreement with the Minister of Labour. The duties of the provincial governments include the establishment of provincial clearing houses and advisory councils, equally representative of employers and employees. Local advisory councils may be established wherever the provincial governments may deem advisable. The regulations of the local offices in matters of wages, strikes and lockouts, which are also set forth, follow British precedent closely. The employment officials must undertake no responsibility as to wages or other employment conditions beyond the supplying of information and workers are not to be prejudiced for refusal to accept employment because of the existence of a trade dispute or because the wages offered are lower than those current in the trade and district. Strict neutrality in strikes and lockouts is insisted upon.

Immediately after the signing of the Armistice, the problem of the placement of the returned soldier came to the fore. A conference with the Department of Soldiers' Civil Re-establishment resulted in the view that a special organization should not be established for the returned soldier, but that the regular employment offices should be utilized and that their routine should be modified wherever necessary to meet the special problems of the returned man. Accordingly it was arranged that the Information and Service Branch of the Soldier's Civil Re-establishment Department should have a representative in each local employment office to render special service to soldiers. When a soldier calls at the employment office, the Soldiers' Civil Re-establishment representative gives such information as he may require and deals with complaints. When the soldier makes application for employment, he is introduced to the employment office officials. If for any reason the soldier applicant proves temporarily or permanently unfit for employment, his case is brought to the attention of the Soldiers' Civil Re-establishment representative for action by his Department.

A special arrangement has also been completed with the same Department for the establishment of employment offices in some of the smaller towns. In some localities where industrial conditions would not justify the opening of a permanent office, such numbers of soldiers are returning as to cause local unemployment problems. By arrangement with the Provincial Governments concerned, the Soldiers' Civil Re-establishment Department opens a temporary employment office and appoints an officer in charge who also deals with employment for civilian workers. The Soldiers' Civil Re-establishment Department meets fifty per cent of the salary expense in connection with these offices; the remainder of the salaries and all maintenance expenditure is shared between the Provincial Governments and the Labour Department, in accordance with the usual procedure under the Act. In the Maritime Provinces, where the Provincial Governments are not taking direct part in the employment work, the expense in connection with these so-called one-man offices are shared equally between the Department of Labour and the Soldiers' Civil Re-establishment Department.

Now that the local offices are organized attention is being concentrated on the clearance system. Because of the long stretch of sparsely settled country north of Lake Superior, Canada falls into two reservoirs of labour supply and demand; the East contributing to the West in spring for seeding and railroad construction and maintenance, and again in autumn for the harvesting. Clearance between these two major areas is effected through the Central Clearing House of the Department of Labour at Ottawa. Within the bounds of the eastern area interprovincial clearance is supervised by the Eastern Clearing House, also in the Department of Labour at Ottawa, with the assistance of a branch, the Maritime Clearing House at Moncton. Interprovincial clearance in the West is directed by the Western Clearing House at Winnipeg, assisted by a branch at Vancouver.

Each of the major areas has two divisions. In the East, Ontario and Quebec are from the labor distribution standpoint quite separate from Nova Scotia, New Brunswick and Prince Edward Island. In the West the Prairie Provinces and British Columbia are also quite distinct, although in this case the divisions are linked together by the coal-mining area of Southern British Columbia and Alberta—District Eighteen, as it is called by the United Mine Workers of America. The branch clearing houses exercise almost complete supervision of interprovincial clearance in the provinces farthest distant from the Central Clearing House. Each reports to the clearing house of the area, which in turn is supervised by the Central Clearing House at Ottawa.

Back of this long-haul, inter-area and interprovincial clearance work are the provincial clearing houses, directing the local superintendents in the transfer of labor between points within the province. When an applicant registers in a local office the interviewer asks the question: "Are you willing to leave the locality?" and every evening the superintendent forwards to the Provincial Clearing House a statement of the applicants who answered in the affirmative and who will be difficult to place locally. This statement is accompanied by a report on the positions listed in the office for which suitable applicants cannot be found in the locality. These daily reports

are scanned in the Provincial Clearing House and whenever a match can be made between a vacancy in one office and an application in another, the vacancy office is advised by the clearing house and the transfer is arranged by the local superintendents.

After this "matching-up" the clearing house will probably have a residuum of jobs and job-seekers to be disposed of and there will remain on the books of the local offices many applicants who, while declining to express general willingness to leave the locality, would consider particular positions at other points. Accordingly the surplus jobs and applications in the clearing house are listed, with all necessary information, in a provincial clearance bulletin, which is mailed daily to all the local offices of the province. The information on the bulletin is brought to the attention of local registrants and employers and whenever an application or an order is received the local superintendents arrange the transfer and report to the clearing house of the province, which makes the necessary cancellation on the next day's bulletin. Each provincial clearing house sends its bulletin to the clearing house of the area and any applications and orders remaining uncancelled after one week's circulation are listed in the Western or Eastern Clearance bulletin for circulation among all the provinces of the area. After a stated period the Central Clearing House at Ottawa, which receives copies of the clearance bulletins of the two areas, takes up the work and circulates any unsatisfied demand or supply still remaining in one area among the offices of the other. Every case in which the long haul east or west seems justified is entered in the Dominion clearance bulletin for circulation among all or certain of the offices outside the area of origin, and superintendents transfer or report to the clearing house as directed in each case.

This clearance plan ensures that before a worker is transferred the opportunities for employment in the home zone must be thoroughly canvassed and that the opportunities in the remaining zones of his province and of other provinces must be exhausted in the order of their nearness to him. The special transportation rate extended to the Employment Service by the railways presupposes the existence of such a

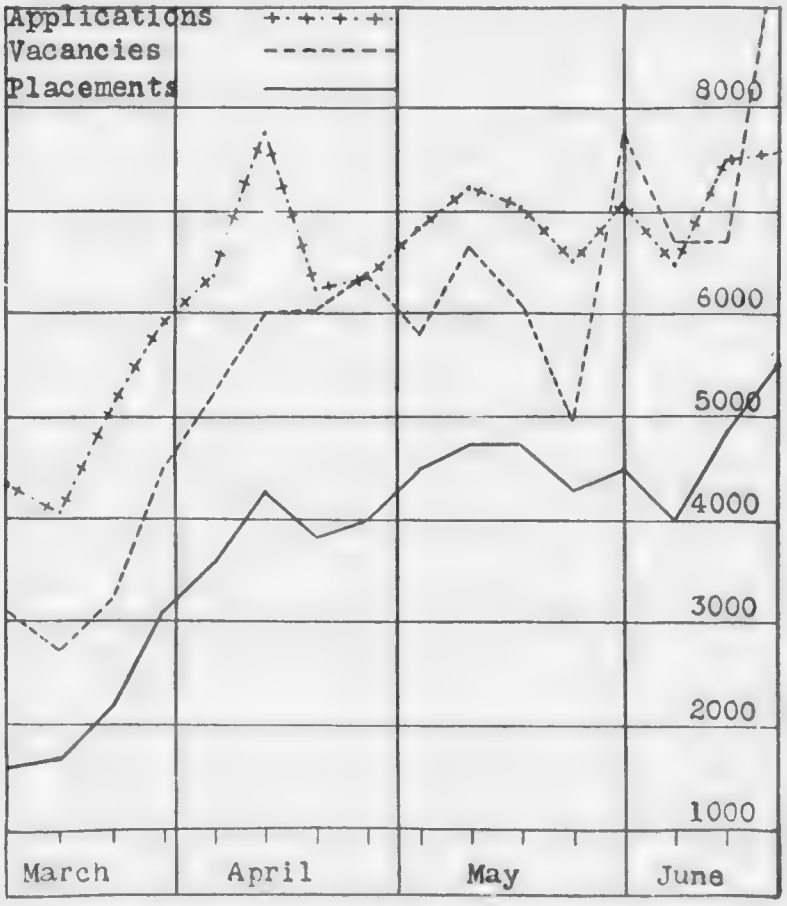
clearance system as a guarantee that the lowering of transportation costs does not increase labor mobility unnecessarily. It should be stated that a special rate has been granted by the following railways—Canadian National, Canadian Pacific, Grand Trunk, Algoma Central and Hudson Bay, Dominion Atlantic, Michigan Central, Quebec Central, Temiskaming and Northern Ontario, Wabash, Kettle Valley, and Pacific Great Eastern. Under this transportation arrangement persons may be sent to employment at a distance at a reduction from the regular fare on all trips of 116 miles or more; a flat fare of four dollars being charged on trips of 116 to 400 miles and a one cent a mile rate on all trips of more than 400 miles. The special rate is granted of course only if placement has been made through the Employment Service.

If this plan to overcome the inertia of labor without stimulating unnecessary mobility is to be realized to the fullest extent it must be based on a thorough knowledge of employment conditions in all parts of the Dominion. Already the service has learned the truth of Adam Smith's dictum that "a man is of all sorts of luggage the most difficult to be transported." Again, the railways must be assured by actual evidence that workers are not being despatched long distances when suitable employment is available near at hand. And further, if effort is to be directed toward the decasualization of labor, the dovetailing of seasonal industries and the reservation of governmental employment for release at times of industrial slackness, live and comprehensive information as to labor market conditions is indispensable.

Dominion headquarters is trying in various ways to develop this very necessary body of information. Weekly reports from local employment offices indicate by occupations, for both men and women, the applicants unplaced at the beginning of the week, placed during the week, and unplaced at the end of the week; the vacancies unfilled at the beginning of the week, notified by employers during the week, and unfilled at the end of the week; the numbers referred to vacancies during the week, and the numbers placed in the locality and transferred to other districts. Since March 8 of this year, when the reports began to be fairly reliable, until June 21 the number

of regular placements was: men, 56,518; women, 5,391; a total of 61,909. By provinces the placements for this period were as follows: Maritime Provinces, 4,152; Quebec, 4,136; Ontario, 23,915; Manitoba, 4,866; Saskatchewan, 7,835; Alberta, 9,013; British Columbia, 7,992.

The accompanying chart indicates the applications for work, the vacancies for workers and the placements made by the Employment Service weekly since the first week in March. The chart indicates that during March and the first half of the month of April applications, vacancies and placements retained a constant relation to one another. From that time the demand



Four Months' Experience of the Employment Service.

has approached the supply more closely. Indeed toward the end of April the vacancies equalled the applications. This increase in vacancies, however, was largely due to the spring demand for farm help and as the Service found it very difficult to persuade workers to leave the cities for farm employment, placements, while they were considerably increased, did not maintain the same relations to vacancies as formerly. About the end of May demand increased sufficiently to exceed applications and on the whole it has maintained this position since that time. Placements have also improved and at the present time they stand at the highest point since the organization of the Service.

Trade union secretaries are furnishing reports on unemployment among the members of their unions. This report has been received in the Department of Labour quarterly since January, 1916, but to meet the needs of the Employment Service it was placed on a monthly basis in January of this year. It affords a very good index of the volume of unemployment among skilled and semi-skilled workers.[21]

A system of weekly reports from employers is also well under way. The employers' returns indicate: the number of workers on the pay-roll at the end of the week, the number anticipated at the end of the next week, and the additions and reductions by occupations. If the employer indicates that he wishes the assistance of the Employment Service in securing certain help the nearest local office is immediately advised of his needs. The accompanying graph indicates the actual and anticipated percentage increases and decreases in personnel since March 15, as reported by employers in Ontario and Quebec. At the present time about 350,000 employees are covered by these returns. A decline is shown in employment during the first half of the month of April, in close accord with anticipations. Towards the end of the month improvement

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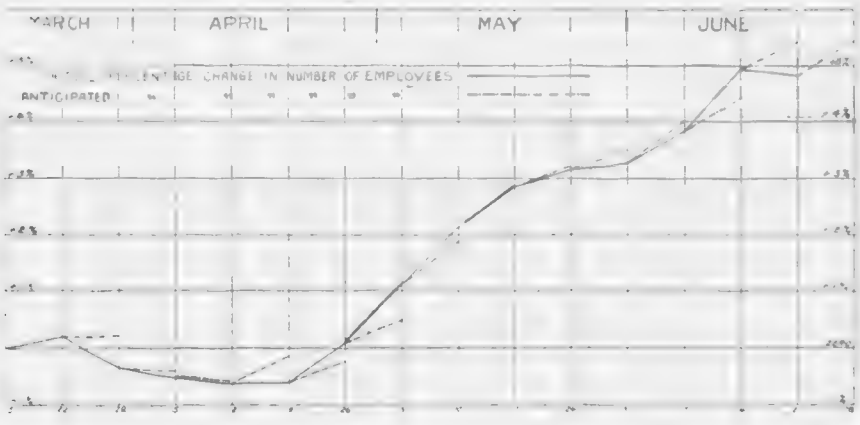
[21] Percentage of unemployment reported by trade unions: 1915—Dec. 31, 8.7; 1916—June 30, 2.1; Sept. 30, 1.4; Dec. 31, 2.1; 1917—March 31, 2.1; June 30, 1.2; Sept. 30, 1.7; Dec. 31, 2.4; 1918—March 31, 1.6; June 30, .5; Sept. 30, .7; Dec. 31, 2.7; 1919—Jan. 31, 3.9; Feb. 28, 5.6; March 31, 5.6; April 30, 4.3; May 31, 3.8.

was registered and this was continued throughout the month of May except for some slackness at the end of the month. Improvement continued until the middle of June when a temporary decline was registered. The month closed with an anticipated increase, which has since been corroborated by the actual payroll figures. For the other provincees this system of reports is being established through the interprovincial



Anticipated and Actual Changes in Employment.

clearing houses of the Department of Labour and the information is received and compiled by them. By this plan the work will be accomplished more quickly than if centralized in Ottawa and the clearing houses will have first access to these reports as to employment conditions in their districts. It is planned that curves will be shown, on the basis of this information, for all the important industries by provinces so that the staff of every office of the Employment Service may have before them a picture of the trend of employment in each of the industrial groups they are trying to serve.

A beginning has been made in the acquisition of information on the volume of public employment. For some time reports have been received monthly from the fifteen largest cities of the country as to the number of workers on the pay-rolls of the various city departments and the amount of the pay-rolls. The reports covers employment afforded by the city direct and through contractors but permanent employees,

e.g., policemen, firemen and office staffs are not included.[22] A monthly report from the thirty-five largest cities on the value of building permits issued affords some indication of the trend of employment in the building trades.

In the distribution of labor the Employment Service is brought into close relationship with the Department of Immigration. It frequently happens that with the opening of new industries and the temporary or even perpetual scarcity of some kinds of skilled labor, the Immigration Department is asked to permit the importation of the workers required. Formerly the Immigration Department, before granting any such request, insisted upon the submission of evidence of honest effort to secure the employees in Canada. Now, however, the Employment Service is asked by the Department of Immigration to state if it can satisfy the particular demand at home.

The question of importation arises also in connection with the securing of an adequate supply of farm hands for the seeding and harvest seasons in the Prairie Provinces. Before the organization of the Employment Service officials of the provinces concerned were accustomed to advise the Immigration Department of the number of workers required above the home supply, and the men were secured and forwarded through Canadian Immigration officials in various mid-western cities of the United States. In the spring of 1919, however, through the instrumentality of the Employment Service, importation of farm hands was avoided. The Service confined its efforts in the main to the Pacific Coast, where there was more unemployment than in any other part of the country. In all

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[22] Estimated number on payroll during first fortnight in month, as reported by fifteen cities: 1917—Oct. 5,286; Nov. 7,787; Dec. 9,067; 1918—Jan. 8,841; Feb. 11,111; March 10,089; April 9,558; May 7,696; June 7,690; July 7,872; Aug. 7,771; Sept. 7,733; Oct. 7,419; Nov. 7,144; Dec. 6,558; 1919—Jan. 7,676; Feb. 8,025; March 9,572; April 10,096; May 8,486; June 9,959.

Total of building permits in 35 cities: 1918—Jan. $1,568,645; Feb. $905,449; March $2,244,757; April $3,031,471; May $4,854,859; 1919—Jan. $1,936,974; Feb. $1,805,462; March $3,011,365; April $6,457,908; May $7,005,425.

about 2000 workers were transferred from British Columbia cities to the Prairie Provinces, and some numbers were secured in the East. It is the aim of the Service to satisfy the harvest demand as well by the fullest utilization of the labour force now in the country, rather than by recourse to importation.

The old method tended towards maldistribution during the harvest season and surplus during the winter. Localities competed against one another for a supply of the imported labour and frequently their requirements were overstated. It often happened that some districts were oversupplied with workers, while others were undermanned, and unknown thousands of men were compelled to trudge long distances over prairie trails in search of employment. In this way many workers earned but little and in the years of greatest maladjustment there were heavy dead-head movements on the railways towards the East and into British Columbia. If the Employment Service attains its objective in this matter there will be fewer unemployed farm hands in the cities of the West during the winter and with the spreading of the harvest employment over a small number of workers those that are unemployed will have larger earnings as a measure of unemployment insurance.

This difficulty of securing workers of certain classes in the home market raises the whole question of the relation of the new Employment Service to the British Employment Exchanges and the part the Service shall play in the Overseas Settlement scheme now being promoted in the United Kingdom. In the past we have been unable to give proper guidance to intending immigrants and they have been handicapped by that lack of information as to employment conditions in all sections of the country which is one of the most valuable products of a well-organized employment service. Many have come whose training did not qualify them for success in Canada and numbers have returned to the United Kingdom disappointed and willing to advise others against emigration. With more and better employment information it should be possible in future to reduce the number of these misfits.

Any such relationship with the British Employment Exchanges would of course have to be supervised carefully. The

subject was considered at the 1910 conference of the Trades and Labour Congress of Canada and the following resolution was passed: "No scheme of Imperial Labour Exchanges can possibly be agreed to which is not preceded by a system of provincial and Dominion exchanges which would have to satisfactorily demonstrate their usefulness and their further inability to supply any legitimate demand within the confines of the Dominion."[24]

In view of the approaching colonial conference the executive of the Congress wrote the Minister of Labour under date of April 14, 1911, drawing his attention to a statement in the Imperial House that the "question of the possibility and best method of utilizing the machinery of the labour exchanges in connection with the applications and vacancies noted in the Overseas Dominions has for some time been engaging the attention of the Board of Trade and the subject has been down for discussion and conference." The Minister was advised that "we sincerely urge that the Canadian representative at the next Colonial Conference will be instructed to enter emphatic opposition to any proposal for the establishment of so-called 'Imperial' labour exchanges in Canada." Accordingly Sir Wilfred Laurier, speaking on the subject at the Imperial Conference, June 2nd, 1911, stated that "We in Canada would not view with favour such a system of exchanges."

It is noteworthy that the resolution of the Congress does not condemn the Imperial Labour Exchanges idea outright, but urges that it should be postponed until a system of provincial and Dominion exchanges has been organized and has been unable to supply labour required from the home market. At the same convention the Executive Committee for the Province of Quebec reported a resolution to the effect that private employment agencies were places of labour exploitation, and that the incoming executive should be authorized to bring the matter before the federal, provincial and municipal authorities so that in cities with populations of 75,000 or over

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[24] Report of Twenty-Sixth Annual Convention, Trades and Labour Congress of Canada, p. 74.

Report of Twenty-Seventh Convention, pp. 17-18.

public employment bureaux should be established.[6] Again at the 1911 Congress a resolution was adopted that the Congress should endorse and use its best endeavours for the establishment of free municipal or provincial employment agencies to the end that private employment agencies be abolished.[7]

The Trades and Labour Congress has therefore stood consistently for the abolition of private agencies and the establishment of public employment offices, and the Imperial exchange idea was laid on the table until such times as a satisfactory system of public offices should be established. Now that Canada has an employment service functioning, the time seems apropos for the reopening of the discussion on the Imperial labour exchange idea. There is the further point that it cannot be said that the Canadian labour market has been flooded since 1914, and while on the whole the present labour supply may be sufficient, there will be no doubt very many instances in which industry will be handicapped unless specially trained workers not available in this country are permitted to enter, not to mention the advantage of giving to the overseas settlement authorities accurate information as to employment conditions in Canada for the guidance of farm workers and domestic servants to whose entry there has never been any objection. The admission of specially skilled pivotal workers not available in Canada would mean an increased volume of employment for other classes in the industry concerned. Plans in the matter, in as far as they concern Canada, should of course be submitted to the Employment Service Council, on which organized labour is represented. It is obvious, too, that the provincial and Dominion officers of the Employment Service would exercise every care to prevent additions to the labour market which might result in a problem of unemployment for the Service to deal with.

The system of advisory councils has not yet been perfected and it is difficult to prophesy as to its value. The National Council, however, judging from its first session held in Ottawa during the week of May 12, promises well. The chief duty of

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[6] Report of Twenty-Sixth Convention, pp. 26-27.

[7] Report of Twenty-Seventh Convention, pp. 86-87.

the Council will be to assist the Minister of Labour in the formulation of policy, it being the intention to embody the national employment policy in the annual agreements under the Act upon which the subventions to the provinces are made conditional. In this way a continuity of policy throughout the Dominion will be provided for. The Council's first meeting was a general stock-taking of the progress of the employment service to date and an effort to mark out the course of development. Consideration was given to such important matters as the re-establishment of the soldier, the attitude of employers and employees toward the service, the farm labour problem, the regularization of employment, and the establishment of relations with the British employment exchanges. Several members of the Council, as general superintendents of provincial employment services, came direct from the work of organization and administration with [illegible] serious and, to some degree, unanticipated problems—[illegible] required amendment, staffs were untrained, more publicity was indispensable, the franking privilege was an absolute necessity, proper clearance work required job analysis and a standard list of occupations, terminology was not uniform and government departments were not patronizing their own employment service. The Council went on record as favouring the establishment of special divisions for handicapped, juvenile and professional workers and the abolition of commercial agencies, and christened the infant employment system—"Employment Service of Canada."

Much yet remains to be done. The workers of Canada have been saved a considerable sum [illegible] and their opportunities of profitable employment have been increased. Some attention has been given to special problems relating to the placement of persons physically handicapped by the war, industrial accidents and old age. The special needs of professional and business men and women have been studied, and a Professional

[illegible] Assistant Director General of the U.S. Employment Service, speaking before the Senate and House Committees on labor gave it as his opinion that there were at least 2,000 private fee charging agencies in the United States and that their annual revenue in fees was at least fifteen or twenty million.

and Business Section of the Service is being organized. The placement of the unskilled alien has received consideration and special offices for this class of workers are now operating in Toronto, Winnipeg and Vancouver. But these are mere beginnings and the distinctive problems involved in the placement of women and juveniles have scarcely been approached. The clearance plans are far from being completely operative and the farm labour problem demands serious thought. It is hoped that the organization of an extension service, including rural postmasters, town clerks, and boards of trade, will contribute much in this direction. The training of interviewers in the local offices is a matter of particular importance. While over 60,000 placements have been made in little more than three months of the organization period, it must be remembered that placement statistics are not the measure of good employment work and that the day is coming when the office with a rising placement record will be regarded with suspicion. There should be a broad field for an Employment Service in Canada. We have a serious distribution problem owing to "the inconvenient shape of the Provinces," as an English observer put it almost a century ago. It applies to labour as much as to goods and any machinery that makes for the efficient distribution of one or the other will soon be regarded as indispensable. As a young country with resources to sustain many times our present population we must make from time to time heavy expenditures on capital account. In such periods as, for example, 1900-13, the demand for workers is increased and with no machinery to measure the demand accurately a surplus of labour is likely to be established through immigration, which makes the unemployment problem in the inevitable reaction all the more serious. Again, our Canadian winter gives to industry a highly seasonal character and forces the curve of employment into many sharp peaks which the Employment Service as it acquires more knowledge, should be able to flatten somewhat. Too much stress cannot be laid on the importance of acquiring more and more information; for, let us remember, we have taken only the first step in meeting the ever-recurring problem of unemployment.

BRYCE M. STEWART.

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